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# THE DYNAMICS OF URBAN POVERTY IN THE 1990s:

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A CANADIAN PROFILE

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*The Dynamics of Urban Poverty in the 1990s: A Canadian Profile* is published by the Canadian Council on Social Development, as part of the Council's Urban Poverty Project.  
ISBN 0-88810-544-4

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The Urban Poverty Project 2007 was funded by the Government of Canada's Social Development Partnerships Program. Any opinions and interpretations are those of the authors and do not necessarily reflect those of the Government of Canada.

# The Dynamics of Urban Poverty in the 1990s: A Canadian Profile

## Introduction

The character of Canada's future is being shaped within our cities and urban regions. At the beginning of the 20<sup>th</sup> Century, just 37% of Canadians lived in urban areas; 100 years later, almost 80% of the population resides in urban areas, making Canada one of the most urbanized nations in the world. And this trend shows no signs of abating. Recent research suggests that as much as 80% of Canada's economic and population growth will occur in five broadly defined urban regions: Greater Toronto, Vancouver and the Lower Mainland, Greater Montréal, Ottawa-Gatineau and the Calgary-Edmonton Corridor. How cities function is therefore vital to Canada's economic and social well-being. If our large cities succeed, the country can prosper; if cities fail, the consequences will be felt everywhere. But in urban Canada today, chronic levels of poverty, polarized job opportunities, low wages, and unaffordable and inadequate housing present fundamental challenges.

The recession of the early 1990s cast a long shadow. Canada entered the decade with an already high national poverty rate of 16.2%. It rate rose to 19.7% in 1995 and then fell back to 16.2% in 2000, spurred by economic and employment growth later in the decade.<sup>1</sup> And while Canada's economic engine was operating full steam ahead by the end of the 1990s, no progress was made in reducing the high level of poverty.<sup>2</sup> The impact of the early 1990s recession – as reflected in the incidence of low income – was more pronounced in Canada's largest urban areas (Census Metropolitan Areas or CMAs) than in areas outside of the CMAs. For example, the aggregate poverty rate among Canadians living in CMAs jumped from 16.9% in 1990 to a mid-decade high of 21.6% in 1995; for those living outside the CMAs, the spike in poverty rates was not as high, rising from 15.2% to 16.5% over this five-year period. As well, smaller communities, towns and rural areas (non-CMAs) seemed to have a faster or more decisive recovery by the end of the decade than did the large urban areas. By 2000, the aggregate poverty rate in Canada's CMAs had dropped to 17.6%, but remained above its pre-recessionary level. In contrast, the aggregate poverty rate in non-CMAs fell to 13.7% in 2000 – below its 1990 level.

Poverty in Canada remains disproportionately an urban problem. In 2000, 80% of the population lived in an urban area and 64.4% lived in one of 27 large urban areas or CMAs; however, 69.7% of Canada's *poor* population lived in CMAs. In fact, the number of poor people living in CMAs grew at a faster rate (+19.1%) over the decade than the total population in those areas (+14.6%). And as poor Canadians became increasingly concentrated in large urban centres, the proportion of the poor living in rural areas and smaller towns and communities declined. This transition seems to have taken place largely within the first half of the decade – likely facilitated by, if not

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<sup>1</sup> Research for this report was based on custom tabulations of Census data from 1991, 1996 and 2001. Pre-tax Low Income Cut-offs (LICOs) produced by Statistics Canada were used to measure poverty. Information concerning income always refers to income from the *previous* year, called the "reference year." Therefore, when discussing income – and related concepts such as low income or LICOs – we are referring to the years 1990, 1995 and 2000.

<sup>2</sup> Indeed, the poverty gap widened and in absolute terms, the number of poor Canadians increased by 10.1%, from 4.3 million to 4.7 million.

spurred on by, the economic recession of the early 1990s. And while the concentration of the poor in urban areas occurred at a faster pace in the first half of the decade, it continued during the subsequent economic recovery. This situation suggests a longer-term trend (coinciding with changing population patterns) that extends beyond simply a reaction to an economic downturn. Today, many Canadians continue to struggle on low incomes, living on the margins of economic prosperity that others have enjoyed for the last several years. In terms of the fight against poverty, the 1990s was a lost decade.<sup>3</sup>

For an overview of urban poverty trends, see *Poverty by Geography* and *A Lost Decade*, two reports in the CCSD's Urban Poverty Project 2007. They are available at [www.ccsd.ca/pubs/2007/upp](http://www.ccsd.ca/pubs/2007/upp).

Within the boundaries of large urban areas, the pattern of poverty also changed. At the aggregate level, the majority of Canada's urban population and the majority of its poor population are located in the largest cities in a CMA, and it is within these large cities that the rates of poverty are the highest. For example, within the largest cities or Census Subdivisions (CSDs), the aggregate poverty rate spiked from 19.1% in 1990 to nearly 24.5% in 1995. By the end of the decade, the aggregate poverty rate in these large cities had recovered to 20% – just shy of its pre-recessionary level. In the remainder of the CMAs – the urban, rural and suburban fringe areas surrounding the largest cities – there were lower overall rates of poverty throughout the decade than were found in the CSDs. The aggregate poverty rate in the remainder of the CMAs rose from 12% in 1990 to 15.2% in 1995, and then dropped to 12.4% by 2000. Not only were these poverty rates lower than those in the largest cities or CSDs, but fewer people were involved. For example, the aggregate number of poor in the remainder of the CMAs rose from 600,095 in 1990 to 845,800 in 1995, then down to 732,930 in 2000.<sup>4</sup>

But these aggregate statistics can mask undercurrents in the poverty trends. Although the overall poverty rates and total population (both poor and non-poor) in the remainder of the CMAs were lower throughout the 1990s than in the largest cities, the population in those areas was growing at a faster *rate*. As a result, the *growth* in the total number of poor residents was greater in the suburban areas than in the largest cities. For example, the aggregate number of poor residents in CSDs increased by 18.3% over the decade, compared with a 22.1% increase in the number of poor living in suburban areas outside the CSDs. So while the remainder of the CMAs were home to about one-quarter of the poor urban population by decade's end, these areas experienced a faster rate of growth in both the number of poor residents and the overall population than the CSDs themselves. Is this the beginning of a trend towards the "suburbanization of poverty"?

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<sup>3</sup> For comparative purposes, all time-series comparisons of data at the CMA level (from 1991, 1996 and 2001) are based on CMAs that existed in 1996. For time-series comparisons of data at the CSD level (from 1991, 1996 and 2001), the boundaries of CSDs that underwent changes between 1996 and 2001 were reconfigured to make them comparable. As a result, cross-sectional estimates for 2000/2001 may differ slightly in some instances from time-series estimates for the same year due to this reconfiguration. See also *A Lost Decade* and *Poverty by Geography*, two reports in the CCSD's Urban Poverty 2007 Project.

<sup>4</sup> Corresponding figures for the aggregate number of poor in the CSDs were 2,161,805 in 1990, 2,945,000 in 1995, and 2,557,825 in 2000.

## CENSUS GEOGRAPHIES

The main sources of data used in this report are custom tabulations of Census of Canada data from 1991, 1996 and 2001. Data are presented for the country, provinces, census metropolitan areas, census subdivisions, and census tracts for persons living in private households.<sup>5</sup>

### ***Census Metropolitan Areas (CMAs) – Large Urban Areas***

A CMA is defined as “a very large urban area (known as the urban core), together with adjacent urban and rural areas (known as urban and rural fringes) that have a high degree of social and economic integration with the urban core.” A CMA has one or more urban core populations of at least 100,000, based on the previous Census. Overall, there were 27 CMAs in 2001.

### ***Census Subdivisions (CSDs) – Large Cities***

CSD is the general term for a provincially defined municipality such as a city, town, village, township, or Indian reserve. This report focuses primarily on large CSDs as the unit of analysis to compare urban poverty – those with populations over 100,000, located within CMAs. If there was no CSD with a population greater than 100,000 within a CMA, the largest CSD within the CMA was included. CSDs that overlap the historic core of a CMA were also included in the study group. These selection criteria isolated 46 municipalities within Canadian CMAs.

### ***Core or Central City***

The term “core city” or “central city” is used here to describe the historic anchor city (CSD) of each metropolitan region. The use of “core” in this instance is not equivalent to Statistics Canada’s concept of an “urban core,” which can include both large and small municipalities and rural areas.

### ***Suburban City***

The term “suburban city” is used to designate other large cities (CSDs) within CMAs. These cities may or may not be adjacent to the core or central city, but they are large population centres that are linked via commerce and employment to communities across the metropolitan area.

### ***Census Tracts (CTs) – Neighbourhoods within Large Urban Areas***

CTs are “small geographic units representing urban or rural neighbourhood-like communities created in census metropolitan areas.” The population of CTs ranges from a minimum of 2,500 to a maximum of 8,000. They are defined to closely resemble what most people would think of as a neighbourhood.

### ***Remainder of the CMAs***

This project also refers to areas within CMAs that are outside the 46 CSDs mentioned above. These communities or areas are part of the larger urban areas, but are outside the large cities (also referred to as the urban, suburban and rural fringe).

### ***Non-CMAs***

Non-CMAs include urban and rural areas that exist outside the CMAs. Almost one-third of Canadians live in urban and rural areas that are not captured within the boundaries of established CMAs.

<sup>5</sup> Please refer to Statistics Canada, *2001 Standard Geographical Classification (SGC) Manual, Volumes I and II* (Cat. [12-571-XPB](#) and [12-572-XPB](#)), for a more extensive discussion of geographies used in the Census. See also the Census Dictionary at <http://www12.statcan.ca/english/census01/Products/Reference/dict/geotoc.htm>

### ***Changes to Census Geographies Since 1996***

Two distinct changes took place between the Census years of 1996 and 2001 that had an impact on our analysis of CMAs and CSDs. First, the number of CMAs increased from 25 to 27 with the addition of the CMAs of Abbotsford, British Columbia, and Kingston, Ontario. As a result, our time-series analysis was confined to the 25 CMAs for which there were data over time. Second, the boundaries and names of some CSDs – Halifax, Toronto, Ottawa, Sudbury, Hamilton, and Kingston – changed between the 1996 and 2001 Censuses. While 46 CSDs met our study criteria in both years, they weren't exactly the same 46. Excluding Kingston and Abbotsford from our time-series analysis resulted in a final list of 44 CSDs.

Evidence from the research literature suggests that fundamental changes in the Canadian labour market, coupled with the erosion of key income security programs, have resulted in growing income inequality in Canada, notably among working-age families.<sup>6,7,8</sup> Gains associated with the economic expansion of the 1990s went mainly to higher income families, while the earnings of poorer families stagnated and social transfers fell. By the end of the 1990s, the combined incidence of low income and the poverty gap was higher in all areas of the country than it had been at the end of the 1980s – with the exception of Manitoba and Saskatchewan.<sup>9,10</sup> Following the 1981-1982 recession, low-income families were able to “catch up,” but they were left behind in the 1990s. The impact of the 1991-92 recession and its anaemic recovery are still evident today in communities across Canada.

The effects of deprivation and need are keenly felt in Canadian cities. Outward signs of high levels of persistent poverty are evident in the large numbers of homeless families and individuals living in shelters and on the street,<sup>11,12</sup> evident in the 100% increase in the use of food banks since 1989,<sup>13</sup> and in reports from local service agencies warning that their clients are falling further behind.<sup>14</sup> These are some of the most visible signs of the growing income gap – one of the most significant challenges facing Canadian society today.

<sup>6</sup> Frenette, Marc; David Green and Kevin Milligan. *Revisiting Recent Trends in Canadian After-Tax Income Inequality Using Census Data*. Analytical Studies Branch Research Paper Series, Catalogue No. 11F0019MIE, No. 274. Ottawa: Statistics Canada, 2006.

<sup>7</sup> Heisz, A.; A. Jackson and G. Picot. *Winners and Losers in the Labour Market of the 1990s*. Analytical Studies Branch Research Paper Series, Catalogue No. 11F0019MIE, No. 184. Ottawa: Statistics Canada, 2002.

<sup>8</sup> Picot, G. and J. Myles. *Income Inequality and Low Income in Canada: An International Perspective*. Analytical Studies Branch Research Paper Series, Catalogue No. 11F0019MIE, No. 240. Ottawa: Statistics Canada, 2005.

<sup>9</sup> Picot, G.; R. Morissette and J. Myles. *Low-Income Intensity During the 1990s: The Role of Economic Growth, Employment Earnings and Social Transfers*. Catalogue No. 11F0019, No. 172. Ottawa: Statistics Canada (Business and Labour Market Analysis Division), 2003.

<sup>10</sup> The “poverty gap” is the difference between the LICO and the average income of those living below it.

<sup>11</sup> For an analysis of homelessness in Canada and efforts to combat it, see the Wellesley Institute’s *Blueprint to End Homelessness in Toronto*, October 26, 2006. Available from: <http://wellesleyinstitute.com/theblueprint>. See also *Taking Responsibility for Homelessness: An Action Plan for Toronto*, by the Mayor’s Homelessness Action Task Force, City of Toronto, 1998. Available from: [http://www.toronto.ca/pdf/homeless\\_action.pdf](http://www.toronto.ca/pdf/homeless_action.pdf).

<sup>12</sup> Laird, Gordon. *SHELTER, Homelessness in a Growth Economy: Canada’s 21<sup>st</sup> Century Paradox*. Prepared for the Sheldon Chumir Foundation for Ethics in Leadership. Calgary, 2007.

<sup>13</sup> Canadian Association of Foodbanks. *HungerCount 2006*. Available from: [http://www.cafb-acba.ca/documents/HungerCount\\_2006\\_EN\\_WEB.pdf](http://www.cafb-acba.ca/documents/HungerCount_2006_EN_WEB.pdf).

<sup>14</sup> Toronto Community and Neighbourhood Services. *Cracks in the Foundation: Community Agency Survey 2003*. City of Toronto, February 2004. Available from: [http://www.toronto.ca/divisions/pdf/cns\\_survey\\_report.pdf](http://www.toronto.ca/divisions/pdf/cns_survey_report.pdf).

The increasing urbanization of Canada challenges us to recognize the importance of urban poverty and understand its complexities. A number of trends can be identified, and periods of recession and economic boom that have an impact on aggregate poverty rates can be tracked over time. But these trends can vary from location to location as local economies impose restrictions on the economic security of urban residents in those areas. The experience of poverty at the local level is not solely dependent upon the value of wealth flowing into a particular area; the manner in which that wealth is distributed among residents – both through the labour market and through social programs – is of paramount importance. It is the organization of poverty in urban areas that sets the parameters around which poverty is experienced. While certain poverty trends can be identified through the data analysis, as well as particular groups that have been historically vulnerable to poverty, there are a wide range of outcomes across the country. The degree to which certain groups face higher poverty levels than others varies from area to area – suggesting that vulnerability is rooted in how things are organized in a particular location.

## **Changing Patterns of Poverty**

Examining poverty rates in urban areas across the country over the 1990s reveals a number of patterns and trends in how poverty is configured. It is not surprising that in a country as large and diverse as Canada, no single pattern or trend adequately describes the experience of poverty at the urban level.

### ***Does Size Matter?***

One of the most obvious factors to consider is the size of an urban area. In a study of the relationship between the population size of Canadian cities and industrial diversity, Beckstead and Brown<sup>15</sup> found a strong, positive, curvilinear relationship – with larger cities being much more economically diverse than smaller cities. As they noted, “urban economies with more diverse industrial bases are thought to be more stable and more dynamic. Because of this, increasing industrial diversity has been a goal of policy makers.”<sup>16</sup> From this, one might logically conclude that urban areas that are more economically or industrially diverse would also be able to provide greater economic security for its residents. However, urban poverty isn’t just dependent on the amount of wealth that flows into an area, it is also related to the degree to which that wealth is equitably distributed.

Curiously, while Beckstead and Brown found increasing levels of industrial diversity associated with increasing population size in urban areas across Canada, our research revealed that, on average, higher rates of poverty were associated with greater population size for CMAs of 250,000 or more. For example, larger CMAs – those with populations of 500,000 and over – experienced higher poverty rates, on average, than either medium-sized CMAs (with populations of 250,000 to 500,000) or small CMAs (with less than 250,000 population). In 2000, the poverty rate among large CMAs was 18.4%, in medium-sized CMAs it was 13.2%, and in small CMAs, 7.0%. And overall within each group of large and medium-sized CMAs, higher rates of poverty were associated with larger populations. For very large urban areas such as Montréal, Vancouver

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<sup>15</sup> Beckstead, Desmond and Mark Brown. *From Labrador City to Toronto: The Industrial Diversity of Canadian Cities, 1991-2002*. Ottawa: Statistics Canada, 2003. Cat. 11-624-MIE–No. 003.

<sup>16</sup> *Ibid*, p. 1.

and Toronto, our study found that the impact of population size on poverty rates diminishes – just as the impact of size on industrial diversity diminished in the largest urban areas in Beckstead and Brown’s study. In our study, however, the size of the population appeared to make little difference among the smallest CMAs – indicating that there may be a certain population “size threshold” that must be reached before population size begins to have an impact on poverty rates.

So how do we explain this paradox? Beckstead and Brown found that larger urban areas are more likely to have higher levels of industrial diversity – which are assumed to be associated with stronger local economies – yet we found that larger urban areas are more likely to have higher levels of poverty.

A number of factors must be considered. First, the 1990s was a decade of significant economic restructuring. Even Beckstead and Brown found that larger urban areas in Canada became less diversified between 1992 and 2002 – that is, less varied in their industrial composition – while the smaller urban areas increased in their level of diversity, thereby closing the gap between the two areas. In our examination of the decade from a poverty perspective, we found that, as a group, the largest urban areas lost ground in the fight against poverty and experienced the highest mid-decade spike in poverty rates, while the smallest CMAs experienced the least pronounced spike in poverty rates. As well, other events such as the energy boom in Alberta and the Asian crisis which particularly affected parts of British Columbia likely played key roles in counteracting a correlation between basic population size and the state of the local economy. Finally, while the overall health of a local economy is obviously linked to the economic possibilities available to its residents, other factors which determine how the wealth is distributed are also important. Clearly, the rate and depth of poverty in an area can be greatly affected by an inequitable distribution of economic resources – even in the face of overall economic health.

Even within large urban areas, there were tremendous variations in poverty levels. Most large urban areas have grown up over time around a central or historic core city. As the city expands, urban and suburban fringe areas begin to appear. In many cases, parts of these fringe areas eventually form cities or Census Subdivisions (CSDs) in their own right. These suburban cities, along with the remaining rural/urban/suburban fringe areas, have tended to have lower poverty rates than the historic core cities. In fact, at the aggregate level, our data indicated that residents of central or core cities tend to have higher levels of poverty than residents of either the urban/rural/suburban fringe (the remainder of the CMA) or suburban cities (CSDs). In 2000, for example, the aggregate poverty rate for these central city dwellers was 20.9%, compared with 14.8% among residents in large suburban cities and 12.4% in the remainder of the CMAs.

The city of Montréal provides a strong example of this. The historic core city of Montréal hovered in 44<sup>th</sup> place throughout the decade among the 44 CSDs examined in this study, while the neighbouring large suburban city of Laval improved its ranking from 20<sup>th</sup> to 17<sup>th</sup> place by decade’s end – further magnifying the differences in poverty profiles for these two cities.

In other cases, however, the 1990s changed the historic relationship between large central or core cities and the adjacent suburban cities. Cities within the CMA of Vancouver are examples of this trend. Many of the neighbouring suburban cities within the CMA of Vancouver failed to improve

their poverty profiles by the end of the decade, and they began to approach rates that were more similar to those in the historic core city of Vancouver. For example, in 1990, the poverty rate in Richmond was 15.2% and in Coquitlam, 14.0%, compared with a rate of 24.8% in the city of Vancouver; by 2000, the poverty rate in Richmond had risen to 23.9% and in Coquitlam, to 21.4%. And while the city of Vancouver still had the highest rate of poverty in this urban region (at 27.0%), the gap in rates had narrowed considerably between Vancouver and several of its neighbouring suburban cities.

Toronto provides an example of both trends – the suburbanization of poverty and high poverty in the historic core. Over the decade, the suburban cities of Oakville, Vaughan and Brampton held their places as cities with some of the lowest poverty rates among the 44 large CSDs examined, while the historic core city of Toronto dropped from 28<sup>th</sup> to 30<sup>th</sup> place (even reaching 34<sup>th</sup> place at mid-decade). In the suburban cities of Markham and Richmond Hill, however, poverty rates began to climb over the decade, and while both cities retained lower rates than the city of Toronto itself, there was evidence that the gap in poverty rates was narrowing. These examples of increasing poverty in some suburban cities, coupled with a more rapid rate of increase in the number of poor in other suburban areas (remainder of the CMAs), reflect the trend towards the suburbanization of poverty that has been highlighted in the United States.

For an in-depth analysis of poverty trends in Canada over the 1990s and detailed data tables, see *A Lost Decade: Urban Poverty in Canada, 1990-2000*, a time-series analysis in the CCSD's Urban Poverty Project. It is available at [www.ccsd.ca/pubs/2007/upp](http://www.ccsd.ca/pubs/2007/upp).

### ***Making Progress***

On the national stage, there were shifts in some urban poverty trends over the 1990s. One in five CMAs made progress over the decade, showing overall improvement in their poverty rates by the end of the 1990s. For most of these CMAs, however, the improvement was less than 10%, and typically was less than two percentage points. Two CMAs that experienced noteworthy improvements were Edmonton and Calgary. Between 1990 and 2000, they had the largest proportional decreases in poverty rates of any CMA – with drops of 16.6% and 20.5% respectively – and together, they “bucked the trend” among the largest CMAs by appearing to make great strides in the fight against poverty. But “all that glitters is not gold” – even when “black gold” is involved.

The Calgary-Edmonton Corridor extends from Calgary in the south to Edmonton in the north and includes about 90% of Alberta's population. It has become one of the most important economic regions in Canada, exhibiting positive momentum since the mid-1990s related to its “vast wealth of natural resources, a rapidly growing and youthful population and low business costs.”<sup>17</sup> On any number of economic indicators, this region stands out in Canada.

With all this positive news – decreasing poverty rates and abundant evidence of economic prosperity – one might conclude that the Calgary-Edmonton Corridor had met the challenge of urban poverty head on and won. (These findings were particularly striking, given the rise in

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<sup>17</sup> TD Bank Financial Group. “An Update on the Economy of the Calgary-Edmonton Corridor: More Action Needed for the Tiger to Roar.” In *TD Economics Topic Paper*, October 3, 2005, p. 1.

poverty and inequality in Alberta following the 1981-1982 recession.) But these positive indicators mask other findings that are disturbing. There is evidence that while the proportion of people living in low income in Calgary and Edmonton – that is, the *rate* of low income – decreased by the end of the decade, the *depth* of low income – the difference between the LICO and the average income of those living below it – may have increased, largely due to declining transfer benefits.<sup>18</sup> In other words, although there may have been a lower proportion of people who were poor in the Calgary-Edmonton Corridor, those who were poor experienced a greater depth of poverty.

According to the Edmonton Social Planning Council,<sup>19</sup> the use of food banks in the city peaked in 1996, and by the end of the decade, the rate of food bank usage (per 1,000 population) was still 28% higher than it had been in 1993. Similarly, the rate of personal bankruptcy (per 1,000 population) peaked in 1997, and did not decrease substantially by decade's end. In fact, the personal bankruptcy rate in Edmonton in 2000 was nearly three times what it had been in 1993.

There is more conflicting evidence in relation to housing. In its 2006 Position Paper, the Alberta Housing Coalition revealed that “since 1996, the number of homeless people in Calgary has grown by more than 458%, while the total population of the city has only grown by approximately 28%.” It is estimated that “as many as 50% of people living in Calgary’s emergency shelters have jobs. Many are working for minimum wage and simply cannot afford market housing.”<sup>20</sup> And according to the Edmonton Housing Trust Fund Homeless Count, the number of homeless people in that city has continued to rise; between 2002 and 2004, the number of homeless people in Edmonton grew by an estimated 14.5%. Even more disturbing was the finding that 120 families with 276 children under age 17 were included in the homelessness counts.<sup>21</sup> With Alberta’s rapidly growing economy and high migration from other parts of Canada, the Calgary-Edmonton Corridor has been facing housing shortages since the mid-1990s.

Despite rapid increases in the number of housing starts, the real problem has become the lack of affordable housing options. In fact, for those near the bottom of the wage spectrum, the problem involves *both* a lack of affordable housing *and* inadequate wages. As noted by the TD Bank Financial Group, over the 1990s there was a “growing gap between the ‘have’ and ‘have-not’ residents of the Corridor.”<sup>22</sup> According to Patricia Lawrence in a study for the Parkland Institute, “the top 30% of income earners took home over half (52.7%) of the total market income in Alberta and the bottom 30% took home slightly more than 10% (10.3%).”<sup>23</sup> The impact of taxes and transfers did little to correct this inequity.

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<sup>18</sup> See, for example: Picot, G.; R. Morissette and J. Myles (2003), *op.cit.*; and TD Bank Financial Group (2005), *op.cit.*

<sup>19</sup> Edmonton Social Planning Council. *Tracking the TRENDS, Social Health in Edmonton*. Edmonton Social Planning Council, 2002.

<sup>20</sup> Alberta Housing Coalition. *Position Paper – Executive Summary*. Alberta Housing Coalition, 2006. Available from: <http://housingaction.ca/file/chai/AHC%20position%20paper.pdf>. (Coalition’s home page: <http://www.albertahousingcoalition.ca/index.php?Page=702.0>)

<sup>21</sup> *Ibid.*

<sup>22</sup> TD Bank Financial Group (2005), *op.cit.*, p. 3.

<sup>23</sup> Patricia Lawrence. *Advantage for Whom? Declining Family Incomes in a Growing Alberta Economy*. A study for The Parkland Institute, University of Alberta, February 2001, p. 11.

In addition to these wage trends, there were also changes to the government transfer system. Welfare incomes as a percentage of the Low Income cut-offs (LICOs) fell steadily over the decade in Alberta. For single employable persons in the province, welfare incomes dropped from 39% of the LICO in 1991 to 27% by 2001. For persons with disabilities, welfare benefits peaked at 60% of the LICO in 1991, then fell dramatically to 45% in 1992 and hovered near this mark for the rest of the decade; by 2001, welfare income for persons with disabilities reached only 40% of the LICO. For lone parents with one child, welfare incomes peaked at 57% of the LICO in 1991, then declined to 49% by 2001. For couples with two children, welfare incomes as a percentage of LICO also peaked in 1991, at 62%, then fell steadily over the decade to 52% by 2001.<sup>24,25</sup> As noted by Picot and colleagues, “in Alberta, declines in transfers raised low income intensity by 22%, which was partially offset by higher earnings (10%) for a net change of 12%. The changes in transfers mainly affected the low income gap, and tended to increase the gap by 16% over the 1990s.”<sup>26</sup> So while the incidence of low income in these Alberta CMAs fell during the 1990s – with fewer people falling below the LICO – the depth of poverty for those who were poor got even worse. As the City Forecast Committee of Edmonton noted, “the rich got richer and the poor got poorer.”<sup>27</sup> The case of the Calgary-Edmonton Corridor demonstrates the complexities of poverty and the fact that while economic booms can bring prosperity for some, deep poverty challenges remain for many others.

### ***Losing Ground***

For nearly one-third of the CMAs examined in this study, the 1990s wasn't simply a lost decade, it was a decade of loss. Among the CMAs that lost ground in the fight against poverty, Vancouver and Thunder Bay lost the most – both experienced a 16.3% increase in their rates of poverty between 1990 and 2000. However, while Thunder Bay had a similar *percentage rise in its rate* of poverty over the decade, it did not have as high an *actual rate* as Vancouver, which registered the highest poverty rate in each of the three Census years examined. By 2000, the poverty rate in Vancouver was 20.8%, compared with 14.1% in Thunder Bay and 17.4% in St. John's (the second highest poverty rate among this group of CMAs).

By the end of the 1990s, the economic recovery was underway in most other parts of Canada, but British Columbia continued in a slump. As noted by White and colleagues, “BC's real GDP per capita fell from 8% above the average in the rest of Canada in 1992 to 8% below by 2001, after which it began to recover.”<sup>28</sup> The prolonged economic downturn in the province was reflected in a 25% reduction in residential construction during the 1990s, and was linked to market difficulties with non-energy resources such as forestry and mining, as well as the impact of the 1997-1998 Asian crisis. Over the last several decades, the economy of British Columbia has become quite closely linked with that of Asia, so when the monetary crisis took hold in Asia in 1997, exports from British Columbia dropped. The province – and Vancouver and surrounding

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<sup>24</sup> National Council of Welfare. *Welfare Incomes, 2000 and 2001*. Ottawa: National Council of Welfare, 2002.

<sup>25</sup> These percentages are based on the LICO for each family type for the largest city in the province.

<sup>26</sup> Picot, G.; R. Morissette and J. Myles (2003), *op.cit.*, pp. S25-S26.

<sup>27</sup> City Forecast Committee. *Edmonton Socio-Economic Outlook, 2002–2007*. Edmonton, City Forecast Committee, September 2002.

<sup>28</sup> White, P.; M. Michalowski and P. Cross. “The West Coast Boom.” In *Canadian Economic Observer*, May 2006, Vol. 19, No. 5, Statistics Canada Cat. 11-010-XWB, 2006.

areas, in particular – was hit with a new economic crisis, whose impact is reflected in the 2000 poverty statistics for Vancouver.

According to White and colleagues, the British Columbia economy has strengthened since 2001.<sup>29</sup> There has been a shift in both the nature of its exports (with lower proportions of forestry products) and the destination of those exports (with increasing exports going to Asia and decreasing exports to the United States). This suggests that in future, poverty levels in the province and in Vancouver particularly will become increasingly linked to economic trends in Asia and not just in North America. This again underlies the need for a “place-based” analysis when dealing with poverty at the local level.

The Greater Vancouver Regional District is made up of several large cities. In the past, the historic core city of this large urban area – the CSD of Vancouver – registered the highest rates of poverty. In 1990, for example, the poverty rate in the CSD of Vancouver was 24.8%, ranking it in 40<sup>th</sup> position among the 44 CSDs analyzed in our study. In contrast, poverty rates in the surrounding suburban cities were much lower: Coquitlam, at 14.0%; Richmond, 15.2%; Surrey, 15.7%; and Burnaby, 18.5%.

By 1995, however, these suburban cities began to display poverty rates that were much more similar to the rate in the core city of Vancouver. In Coquitlam, the poverty rate rose to 22.3%; in Richmond, to 26.0%; in Surrey, to 21.4%; and in Burnaby, to 27.8%. At the same time, the poverty rate in the CSD of Vancouver rose to 31%. As a result of these poverty rate increases, the CSDs dropped in rank among the 44 examined in our study. Coquitlam fell from 13<sup>th</sup> to 24<sup>th</sup> in rank; Richmond, from 17<sup>th</sup> to 31<sup>st</sup>; Surrey, from 19<sup>th</sup> to 21<sup>st</sup>; Burnaby, from 27<sup>th</sup> to 36<sup>th</sup>; and Vancouver, from 40<sup>th</sup> to 42<sup>nd</sup>. By 2000, poverty rates in CSDs in the CMA of Vancouver had decreased slightly from their mid-decade highs, but the rates remained well above their pre-recessionary levels. In terms of rank change over the decade, it was the large cities within the CMA of Vancouver that suffered by far the greatest losses.

These dynamics were at play against the backdrop of welfare policy changes over the 1990s. From mid-decade onward, welfare incomes as a proportion of LICO began to drop as the British Columbia government tightened welfare eligibility rules – resulting in a drop in caseloads – as well as making some cuts to benefit rates.<sup>30</sup> Given the likely interactions between economic trends affecting the province and these welfare policy changes, the dramatic drop in overall poverty rankings among the CSDs here is not surprising. The Canadian Centre for Policy Alternatives and the Social Planning and Research Council of B.C. have analyzed changes to the welfare system in the province, and they warn that the changes made in 2002 must be monitored closely.<sup>31</sup> Once poverty data from the 2006 Census become available, it will be interesting to see what happened to rates in the Vancouver area between the 2001 and 2006 Censuses. The report, *Vancouver’s Vital Signs*, points to numerous warning signs going forward, including “significant

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<sup>29</sup> *Ibid.*

<sup>30</sup> Klein, Seth and Andrea Long. *A Bad Time To Be Poor, An Analysis of British Columbia’s New Welfare Policies*. Canadian Centre for Policy Alternatives (B.C. Office) and Social Planning and Research Council (SPARC) B.C., 2003.

<sup>31</sup> *Ibid.*

growth in the number of homeless counted in the City of Vancouver. Between 2002 and 2005, the number of homeless increased 106%.<sup>32</sup>

### *Treading Water*

There was almost no change in poverty rates over the decade for nearly half the CMAs examined for this study. Like others, these CMAs experienced a mid-decade spike in poverty rates in response to the recession, but they recovered or very nearly recovered their pre-recessionary poverty levels. In the middle of this group is the CMA of Saint John, New Brunswick. Although unremarkable among the CMAs that “treaded water” over the 1990s, Saint John provides an excellent example of the persistence of high poverty and the concentration of poverty within an urban core.

The CMA of Saint John began the decade with a poverty rate of 17.3%; that spiked to 20% in 1995, then fell back to 17.8% by 2000. However, by examining the CSD of Saint John, a more disturbing trend becomes evident. In 1990, the urban core city (or CSD) of Saint John registered a higher poverty rate than the CMA as a whole – 21.9% compared with 17.3%. By mid-decade, the poverty rate in the CSD of Saint John had spiked to 27%, and by 2000, it had fallen to 24.5%. Unlike the CMA, the poverty rate in the CSD of Saint John did not recover to its pre-recessionary level. So while the CMA of Saint John appeared to be treading water over the 1990s, the urban core was actually losing ground. It is an example of how examining poverty rates over time at the CMA level can mask other important dynamics of poverty in large urban areas.

In a 2005 report entitled *Poverty and Plenty: A Statistical Snapshot of the Quality of Life in Greater Saint John*, Peacock notes “it is fair to state that Greater Saint John is in fact made up of two distinct communities: an historic inner city, where the majority of the region’s most vulnerable residents are found, and fast-growing suburbs, where median household incomes are the highest in New Brunswick.”<sup>33,34</sup> Saint John exemplifies the trend towards the urbanization of poverty. Unlike a number of urban areas in the United States and, to a lesser extent, in Canada (Toronto and Vancouver, for example) that display increasing suburbanization of poverty, Saint John is a classic example of rising prosperity in the suburbs combined with an increasingly impoverished urban core. Peacock notes that “all of the very high poverty neighbourhoods found in the Saint John CMA are within city limits.”<sup>35</sup> Thus, when we examine poverty in Saint John, we need measures of the concentration of poverty to truly understand the local dynamics.

Saint John is among a handful of CMAs in Canada that continued to have very high concentrations of poverty in specific neighbourhoods over time – despite some improvements late in the decade. In 2000, one of every six neighbourhoods in Saint John (eight of 46 census tracts) had rates of poverty over 40% – meaning that more than 40% of the residents were living

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<sup>32</sup> Vancouver Foundation. *Vancouver’s Vital Signs*. Vancouver Foundation, 2006, p. 19.

<sup>33</sup> Peacock, Kurt. *Poverty and Plenty: A Statistical Snapshot of the Quality of Life in Greater Saint John*. Saint John: Human Development Council and Vibrant Communities Saint John, 2005, p. 17. Available from: <http://www.humandevlopmentcouncil.nb.ca/pdf/Poverty%20and%20Plenty.pdf>.

<sup>34</sup> See also: Hatfield, Randy. *Saint John, 2006: Taking Stock*. Saint John: Human Development Council, 2006. Available from: <http://www.humandevlopmentcouncil.nb.ca/pdf/SaintJohn2006TakingStock.pdf>.

<sup>35</sup> Peacock, Kurt (2005), *op.cit.*, p. 23.

below the LICO. When we examined the proportion of the total population of CMAs living in these “very high poverty” neighbourhoods, we found that Saint John ranked second only to Montréal. In the CMA of Saint John in 2000, the neighbourhood poverty rate – that is, the percentage of individuals in the CMA living in a very high poverty neighbourhood – was 10.7%; the CMA of Montréal had a rate of 12.4%. For Montréal, this represented a great improvement over its 1995 rate of 21.9%. Although Saint John also lowered its neighbourhood poverty rate, (down from 12.6% in 1995), the improvement was much less pronounced. This suggests that high concentrations of poverty in Saint John may be quite persistent over time.

The concentration measure that best illustrates the poverty challenges facing Saint John, however, is the *neighbourhood concentration of the poor* – the percentage of individuals living in poverty who also live in high poverty neighbourhoods. This measure indicates the extent to which those living in poverty experience the multiplied impact of being poor in a poor neighbourhood. Of all the CMAs investigated for this study, Saint John ended the decade with the highest rate of neighbourhood concentration of the poor.<sup>36</sup> In 2000, 27.4% of the poor population in the CMA of Saint John lived in a very high poverty neighbourhood; the CMA of Montréal followed with a 26% rate of concentration of the poor. In 1995, Montréal had had the highest rate, with 40.8% of its poor population living in very poor neighbourhoods, compared with 31.4% for Saint John. Again, however, Montréal made much more progress on this front than Saint John over the last half of the decade – suggesting that high concentrations of poverty are very persistent in Saint John.

### ***Conclusion***

While some urban areas improved their overall poverty profiles during the 1990s, we also found evidence that a reduction in poverty rates alone does not guarantee victory in the war on poverty. Instead, the manner in which the spoils or benefits of economic prosperity are distributed among the population is critical in determining whether an economic boom results in long-term economic security for the population as a whole, or whether it leads to heightened income inequality.

We also found conflicting evidence in the ongoing debate about “decaying urban cores” versus “the suburbanization of poverty.” At an aggregate level, increasing population sizes and rising rates of poverty in the remainder of CMAs provide evidence of the suburbanization of poverty. Indeed, we found increasing levels of poverty in suburban cities within the CMAs of Vancouver and Toronto. Yet the situation in Toronto was mixed. It exhibited both an exporting of poverty to other suburban cities in the CMA over the 1990s, as well as increasing levels of poverty in the historic core city of Toronto.

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<sup>36</sup> Kingston, Ontario, and Abbotsford, British Columbia, are not included in this time series analysis because they became CMAs only in 2001. However, if we look at the 2001 Census figures for concentration measures, we see that, while Abbotsford had no high poverty neighbourhoods in 2000 (i.e., no census tracts within this CMA had a poverty rate of 40% or more) and, therefore, had 0% on both concentration measures, Kingston was another case entirely. In 2000, the neighbourhood poverty rate in the CMA of Kingston was the third highest of all CMAs (regardless of size), with 9.9% of its residents living in a high poverty neighbourhood. More disturbing, however, is the fact that the neighbourhood concentration of poverty for this newly formed CMA in 2000 was the highest of all CMAs – 29.3% of persons in low income households also lived in high poverty neighbourhoods.

So while some urban areas reflect the suburbanization of poverty, other locations are much more in keeping with the conceptualization of a decaying inner core city. The most vivid example of this latter vision of urban poverty was Saint John, where poverty became increasingly concentrated in the inner city core, with growing economic prosperity in the suburban fringes. We also found that the historic core city of Montréal continues to have much higher rates of poverty than its surrounding suburban cities.

## Who is Most Vulnerable to Poverty?

Of the 4.7 million Canadians living below the LICO in 2000, 3.3 million lived in one of the 27 largest urban areas or CMAs, and 2.7 million of these lived in one of Canada's 46 largest cities (CSDs) – making poverty in Canada an important “urban” concern.<sup>37</sup>

As noted earlier, poverty is found in every urban area in Canada and in every city within each urban area, but the extent and nature of the problem varies by location. Levels of poverty also vary as a result of complex interactions of local and global economic trends, the availability of natural resources, government programs and policies, and the historic evolution of a location's socio-economic infrastructure. As a result, some groups of individuals face greater barriers than others when navigating through their world, and it can make them more vulnerable to poverty. Groups defined by the presence of a disability, Aboriginal status, immigration status, or visible minority status are particularly vulnerable to poverty.

For detailed data tables and an in-depth analysis of poverty trends among historically vulnerable groups, see *Populations Vulnerable to Poverty*, a report in the CCSD's Urban Poverty Project 2007, available at [www.ccsd.ca/pubs/2007/upp](http://www.ccsd.ca/pubs/2007/upp).

Canada's largest cities are home to the majority of the poor and many groups that have been historically vulnerable to poverty are highly concentrated within these cities. For example, large cities are the destination of choice for immigrants to Canada and visible minority groups are more highly concentrated there. When using aggregate measures, only Aboriginal people are notably less concentrated in cities. However, these aggregate measures mask an important concern – in a handful of large cities, Aboriginal people are actually over-represented and, for these individuals, urban residence comes with a very high risk of poverty.

### *Aboriginal People*

Over the last 50 years, Canada's Aboriginal peoples have experienced increasing urbanization – a phenomenon that began affecting the general population many decades earlier.<sup>38</sup> The degree of

<sup>37</sup> In this paper, we do not examine “rural” poverty.

<sup>38</sup> For the purposes of this study, we are using the Census variable “Aboriginal identity,” which refers to those persons who reported identifying with at least one Aboriginal group, that is, North American Indian, Métis or Inuit. In 2001, a total of 973,355 persons identified themselves with one (or more) of these groups. This count was 21.8% higher than the 1996 figure of 799,010. In contrast, the non-Aboriginal population grew only 3.8% between 1996 and 2001. According to Statistics Canada, about “half the increase in the Aboriginal population can be attributed to demographic factors, such as their high birth rate; increased awareness of one's Aboriginal roots likely accounted for another half, as more people identified themselves as Aboriginal and fewer reserves were incompletely enumerated.” See: Statistics Canada. *Aboriginal People of Canada: A Demographic Profile*. 2001 Census Analysis

urbanization among Canada's Aboriginal population has risen dramatically since 1951, when less than one in 10 lived in cities; by 2001, it was almost half,<sup>39,40</sup> and the urban Aboriginal population is expected to increase dramatically over the next decade.<sup>41</sup>

In 2001, Aboriginal people accounted for a relatively small proportion of the population of most cities, but they were overrepresented among the urban poor. Overall, they comprised 1.7% of the aggregate population of the 46 cities examined here, yet Aboriginal people accounted for 3.8% of all those who were poor. And in a handful of cities – particularly the CSDs of Saskatoon, Regina, Winnipeg, Thunder Bay, Greater Sudbury, and Edmonton – their share of the poor population was even greater. In Saskatoon and Regina, for example, Aboriginal people constituted 9.7% and 8.6% of the population, respectively, but they made up 27% and 28.4% of the poor population. In both cases, this was almost three times higher than their share of the population.

The poverty rate of Aboriginal people living in cities was 42.8% in 2000 – more than double the rate for non-Aboriginal people (19%). In over three-quarters of the cities included in our study, the poverty rates among Aboriginal people were at least double those of the non-Aboriginal population. And in Thunder Bay and Saskatoon, the Aboriginal poverty rate was over three times that of the non-Aboriginal rate; in Regina, their poverty rate was four times greater.<sup>42</sup> Overall in 2000, Aboriginal people recorded poverty rates in excess of 50% in six cities – Winnipeg, Victoria, Montréal, Regina, Saskatoon, and Vancouver, with the highest rate in Vancouver (59.5%).

Within large urban areas (CMAs), Aboriginal people experienced their highest rates of poverty in the largest cities (CSDs), at 42.8%. Those living in the remainder of CMAs (suburbs) had a poverty rate less than half that (20.5% versus 42.8%). In fact, Aboriginal people fared better in the remainder of CMAs than they did in non-CMAs (off-reserve), where their poverty rate was 30.5%. Even in the remainder of CMAs, however, the poverty rate among Aboriginal people was still considerably higher than that of the general population (20.5% compared with 12.8%).

The likelihood of poverty among Aboriginal people is influenced by many different factors, such as differences in the demographic composition of the urban population, average levels of educational attainment, unemployment rates and wages within specific urban centres. However, another important factor requires further investigation. When examining the Aboriginal population, mobility patterns between and within cities, and between cities and rural areas, are

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Series, Cat. 96F0030XIE2001007. Available from:

<http://www12.statcan.ca/english/census01/Products/Analytic/companion/abor/pdf/96F0030XIE2001007.pdf>.

<sup>39</sup> *Ibid.*, p. 29.

<sup>40</sup> In 2001, 31.4% of Aboriginal people lived on-reserve, 19.5% lived in rural non-reserve areas, 21.3% lived in urban non-CMAs, and 27.8% lived in CMAs.

<sup>41</sup> *Report of the Royal Commission on Aboriginal Peoples*. Projected population growth, 1991 to 2016. Available from: [http://www.ainc-inac.gc.ca/ch/rcap/sg/sgmm\\_e.html](http://www.ainc-inac.gc.ca/ch/rcap/sg/sgmm_e.html).

<sup>42</sup> When providing aggregate estimates for CMAs or CSDs, percentages are based on all CMAs or CSDs examined in our cross-sectional analysis. However, when discussing trends among specific CMAs or CSDs, only those areas with at least 1,000 Aboriginal people living below LICO are presented. Therefore, the lack of mention of some of the smaller CMAs or CSDs should not be interpreted as an indication that poverty rates for the Aboriginal population are lower in these locations; in many instances, it is due to low sample size.

critical. Often referred to as “hypermobility” or “churn,”<sup>43</sup> the high mobility of Aboriginal people is key to understanding the barriers faced as they navigate through the urban environment and through the life cycle. The role of reserves in this hypermobility adds to the complexity. As noted by Distasio and colleagues,<sup>44</sup> Aboriginal people are more mobile than the general population; for example, in the year prior to the 2001 Census, “one in five Aboriginal people moved compared to one in seven for the general Canadian population.”<sup>45</sup> This movement occurred both within urban areas and between urban and non-urban areas.

The churn<sup>46,47</sup> or frequent movement of Aboriginal people between cities and reserves is a phenomenon linked to the high rates of poverty they experience. The promise of better economic opportunities and adequate housing in urban areas encourages many Aboriginal people on reserves to try their luck in cities. For too many, however, that journey is characterized by a wide array of obstacles, including racism, difficulties in finding employment, a lack of affordable housing, and an absence of effective programs and policies to address settlement issues within the cities. For many Aboriginal people, the only affordable housing available in cities is substandard housing; for others, interim accommodation provided by friends or relatives often leads to overcrowded conditions, frequent movement from location to location, and eventually, a descent into homelessness.

This hypermobility between urban areas and reserves, coupled with jurisdictional divisions, often leads to urban Aboriginal people ‘falling between the cracks.’ When on reserves, the responsibility for providing supports and services lies with the federal government; once individuals move off-reserve, services to assist those in need become the responsibility of provincial and municipal governments.

The hard realities of urban living – particularly the lack of employment opportunities and lack of affordable housing options – can produce ‘push factors’ which lead many Aboriginal people back to the reserves, and this is enhanced by the pull of social and cultural factors. More research is needed to understand what interventions might improve the settlement of Aboriginal people in urban areas and to explore improvements needed on reserves. One successful intervention that might serve as a model for future policy/program development is the Centre for Aboriginal Human Resource Development (CAHRD).<sup>48</sup> It is a community-driven non-profit organization in Winnipeg that provides services to assist with the education, training and employment of urban Aboriginal people in the city.

Of all the groups examined in our study, Aboriginal people were the most concentrated in “very high poverty” neighbourhoods – defined here as Census tracts with poverty rates of 40% or more. In some cities, the concentration was quite stark. In Winnipeg, for example, 46.7% of all

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<sup>43</sup> Distasio, Jino; Gina Sylvestre and Susan Mulligan. *Home Is Where the Heart Is and Right Now That Is Nowhere, An Examination of Hidden Homelessness Among Aboriginal People in Prairie Cities*. Prepared for the Institute of Urban Studies in Partnership with the Social Planning Council of Winnipeg, 2005.

<sup>44</sup> *Ibid.*, pp. 29-30.

<sup>45</sup> *Ibid.*, p. 30.

<sup>46</sup> *Ibid.*, p. 29.

<sup>47</sup> Frideres, J.S. and R. R. Gladacz. *Aboriginal People in Canada: Contemporary Conflicts*, 6<sup>th</sup> Edition. Toronto: Prentice Hall, 2001.

<sup>48</sup> <http://www.cahrd.org>

poor Aboriginal people lived in very high poverty neighbourhoods, compared with 25.2% of all poor people and 28.4% of poor visible minorities. Similar findings were evident in Regina, Saskatoon, Edmonton, Vancouver, and Victoria.

### *Immigrants*

By the end of the 1990s, five urban areas were the settlement destination of 80% of Canada's immigrants – Toronto, Vancouver, Montréal, Calgary and Ottawa. And Toronto was by far the most popular choice. In fact, while immigrants comprised 18% of the total Canadian population in 2001, they made up 44% of the population of Toronto.

Overall, immigrants tended to have higher rates of poverty than Canadian-born residents in many cities, but there were exceptions. More established immigrants – those who had come to Canada prior to 1986 – often had lower poverty rates than Canadian-born citizens. However, more recent immigrants – those who had immigrated between 1996 and 2001 – consistently registered higher poverty rates than the Canadian-born population in every city.

In many cities, there were large differences in poverty rates between the Canadian-born and immigrant populations. For example, the cities of Richmond and Coquitlam within the CMA of Vancouver registered poverty rates among immigrants that were more than 2.5 times those of Canadian-born residents. The lowest poverty rates among immigrants were found in some cities in southern Ontario. Cambridge and Burlington, for example, had roughly one in 10 immigrants living in poverty, whereas poverty rates among immigrants living in Toronto were very high.

Part of the explanation for this lies in the composition of the immigrant population in the different cities, and in this regard, the period of immigration is very important. Immigrants who have been in Canada for longer periods of time have several advantages over their more recent counterparts. It can take time to develop the necessary language skills, training and Canadian work experience required to orient oneself to the Canadian labour market. It also takes time to develop networks and become established in the workplace. It is not surprising, therefore, that the poverty rate among recent immigrants was higher than that of more established immigrants in the 46 selected cities in this study.<sup>49</sup> In some cases, the poverty rate of recent immigrants was *considerably* higher than that of more established immigrants – nearly three times higher. And while new immigrants made up 5.9% of the total population in those cities, they accounted for 13.4% of all those who were *poor*.

In some urban areas, recent immigrants appear to have been disproportionately affected by the recession of the early 1990s. Heisz and McLeod<sup>50</sup> found that the poverty rate among recent immigrants in the CMA of Vancouver rose from 26.7% in 1990 to 37.4% in 2000, whereas the rate among those who were not recent immigrants rose considerably less (from 14.7% to 15.4%).

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<sup>49</sup> All aggregate statistics are based on data from the 46 selected cities. However, when examining individual CSDs, only those with at least 1,000 poor individuals for each subpopulation examined were included. When focusing on established immigrants (those arriving before 1986) and recent immigrants (those immigrating between 1996 and 2001), only the 20 of the 46 cities included in this study met that criterion.

<sup>50</sup> Heisz, Andrew and Logan McLeod. *Low Income in Census Metropolitan Areas, 1980–2000*. Ottawa: Statistics Canada, 2004. Cat. 89-613-MIE, No. 01.

Heisz and McLeod also found that recent immigrants comprised an increasing proportion of the population in the Vancouver CMA throughout the 1990s – from 8.8% in 1990 to 16.6% in 2000 – yet their share of the poor population grew even more, from 14.9% in 1990 to 32.6% by 2000.

Numerous research studies have focussed on the economic plight of recent immigrants to Canada. Over the last two decades, a growing gap has become evident in the low-income rates and the earnings of immigrants – particularly recent immigrants – compared with those of Canadian-born residents.<sup>51,52</sup> Research suggests that the initial earnings gap that accompanies the process of immigration is not narrowing as quickly as it did in previous decades for earlier generations of immigrants, even after a period of adjustment to the Canadian labour market.

Yet Canada's immigration process continues to privilege more highly educated applicants. Unlike pre-1980s immigration, the majority of recent immigrants entered Canada under the economic class (58% of new immigrants in 2000); only 27% entered the country under the family class.<sup>53</sup> Recent immigrants also tend to be better educated than previous generations; in 2001, 42% of recent immigrants had a university degree. According to Picot and Sweetman,<sup>54</sup> these changes in the socio-demographic make-up of immigrants over the decade and the much-improved economy of the late 1990s should have translated into some improvements in their overall economic well-being. That did not happen, however. Andrew Heisz<sup>55</sup> notes that during the 1990s, "[in] Toronto and Vancouver, the employment rate fell substantially only among recent immigrants." Recent immigrants were increasingly likely to work part-time or part-year, and they were more likely to be underemployed. By 2000, "in Vancouver, for example, 31% of recent immigrants with a university degree were employed in jobs with low-skill levels, compared with 13% of Canadian-born graduates."<sup>56,57</sup> This issue is of particular importance since Canada relies on immigrants to bolster its economic growth. It is estimated that the "underutilization of immigrants' skills costs the Canadian economy about \$2 billion annually."<sup>58</sup> (See also: Picot et al., 2007<sup>59</sup>)

Various factors may underlie this slower-than-expected integration of new immigrants into the labour market. For example, one factor may be the lack of recognition of foreign education,

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<sup>51</sup> Frenette, Marc and Rene Morissette. *Will They Ever Converge? Earnings of Immigrant and Canadian-Born Workers Over the Last Two Decades*. Analytical Studies Branch Research Paper Series. Ottawa: Statistics Canada, 2003. Cat. 11F0019MIE, No. 215.

<sup>52</sup> Picot, Garnet et al. *The Rise of Low-Income Rates Among Immigrants in Canada*. Analytic Studies Branch Research Paper Series. Ottawa: Statistics Canada, 2003. Cat. 11F0019MIE, No. 198.

<sup>53</sup> Citizenship and Immigration Canada. *Facts and Figures 2000: Immigration Overview*. Ottawa: CIC, 2001. Available from: [www.cic.gc.ca](http://www.cic.gc.ca).

<sup>54</sup> Picot, Garnett and Arthur Sweetman. *The Deteriorating Economic Welfare of Immigrants and Possible Causes: Update 2005*, Analytical Studies Branch Research Paper Series. Ottawa: Statistics Canada, 2005. Cat. 11F0019MIE, No. 262.

<sup>55</sup> Heisz, Andrew (2005), *op.cit.* p. 15.

<sup>56</sup> *Ibid.*

<sup>57</sup> For a similar conclusion, see also: Picot, Garnett and Feng Hou. *The Rise in Low-Income Rates Among Immigrants in Canada*. Ottawa: Statistics Canada, 2003.

<sup>58</sup> Reitz, Jeffrey G. "Tapping Immigrants' Skills: New Directions for Canadian Immigration Policy in the Knowledge Economy." In *IRPP Choices*, Vol. 11, No. 1, Feb. 2005. Available from: [www.irpp.org](http://www.irpp.org).

<sup>59</sup> Picot, Garnett; Feng Hou and Simon Coulombe. *Chronic Low Income and Low-Income Dynamics Among Recent Immigrants*. Analytical Studies Branch Research Paper Series. Ottawa: Statistics Canada, 2007. Cat. 11F0019MIE2007294.

professional credentials and work experiences gained outside Canada. To some, this “time lag is an indicator of structural discrimination in employment. Things seemed to have improved, but systemic racial discrimination in employment still persists.”<sup>60</sup> Today, the majority of new immigrants are visible minorities arriving from the Asian and Pacific regions and from African and Middle Eastern countries. These changes in the source countries and visible minority status of new immigrants have been linked to systemic and racial discrimination resulting in the lack of employment opportunities and high poverty rates. Indeed, according to findings from the Ethnic Diversity Survey, “one in five visible minority individuals report discriminatory or unfair treatment, particularly in work setting or when applying for a new job.”<sup>61</sup>

When we examined 20 of the largest cities in Canada – those CSDs with at least 1,000 poor individuals in each comparison group – to compare the poverty rates of *recent immigrants* with those of *more established immigrants* and the *Canadian-born population*, we found a great deal of concordance in the relative poverty rates between established immigrants and Canadian-born residents in each city. Not only did they have similar rankings of poverty rates, but the percentage point spread in rates between the two populations was fairly low in each city, ranging from almost no difference to a 3.8 spread in Edmonton. In fact, the difference in poverty rates between the Canadian-born and established immigrant populations amounted to more than one percentage point in only 11 of the 20 cities featured; and in nine of those 11 cities, established immigrants had a *lower* poverty rate than Canadian-born residents. In particular, Edmonton, Winnipeg, Vancouver and London had percentage point spreads of 2.8 to 3.8, with established immigrants having the lower poverty rates. However, these statistics were not age-adjusted, and it is likely that the established immigrant population may have been older than the other comparison groups, and therefore at a more advanced stage in their labour market careers.

By contrast, we found large differences between the poverty rates of recent immigrants and those of both Canadian-born and established immigrants. The largest gap was in Richmond, where recent immigrants had a poverty rate 53.7%, compared with a rate of 13% among established immigrants – a spread of 40.7 percentage points. And while Richmond ranked 11<sup>th</sup> out of the 20 cities for poverty among Canadian-born people and established immigrants, it ranked 18<sup>th</sup> out of 20 for poverty among recent immigrants. This suggests that new immigrants in Richmond were much more vulnerable to poverty than might be expected given the overall poverty profile of the city. The smallest gap in poverty rates was found in Vaughan, Ontario, where recent immigrants had a poverty rate of 19.2% (the lowest rate among the 20 cities) and established immigrants had a rate of 9.2% – a spread of 9.9 percentage points.

We also found that the spatial configuration of poverty was notably different for immigrants than for the Canadian-born population. For example, poor immigrants had much higher levels of concentration in “very high poverty” neighbourhoods than other groups in Sherbrooke, Québec City, and Montréal in particular. In Québec City, for example, three of every five poor

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<sup>60</sup> Galabuzi, Grace-Edward and Cheryl Teelucksingh. *Working Precariously: The Impact of Race and Immigrant Status on Employment Opportunities and Outcomes in Canada*. Toronto: Centre for Social Justice, 2005. <http://www.socialjustice.org/uploads/pubs/WorkingPrecariously.pdf>

<sup>61</sup> Palameta, Boris. “Low Income among Immigrants and Visible Minorities.” In *Perspectives on Labour and Income*. Ottawa: Statistics Canada. Cat. 75-001-XIE, April 2004, p. 17.

immigrants lived in a very high poverty neighbourhood. By contrast, poor immigrants in Kingston were less concentrated than other poor groups in very high poverty neighbourhoods.

No matter where they choose to live, new immigrants are likely to have difficulty integrating into the Canadian labour market. However, if they locate in a city with high overall poverty rates (such as Montréal), they are likely to have a high risk of poverty. Similarly, if they live in a city with low overall poverty rates (such as Vaughan), they are likely to have a lower risk of living in poverty. But in both types of cities, there is likely to be a gap between the poverty rates of new immigrants and those of the Canadian-born and established immigrant populations. In other locations (such as in Richmond) where there was an unusually large gap in poverty rates, it suggests that recent immigrants face greater challenges integrating into the labour market in those urban areas.

The findings from this and other studies indicate that coordinated efforts at the national *and* city levels are integral to addressing poverty among immigrants. Since individual cities are uniquely affected by the settlement of recent immigrants, an awareness of and sensitivity to local dynamics – demographics, economies, labour market needs, and attitudes toward immigrants – will be required to improve the economic standing of immigrants to Canada.

### ***Visible Minorities***

The visible minority population in Canada rose by 25% between 1996 and 2001, compared with a 4% increase in the overall population. This growth in the visible minority population is largely attributable to immigration which is now primarily from non-European source countries – “73% of immigrants who came in the 1990s were members of visible minorities.”<sup>62</sup> Projections suggest that by 2016, “visible minorities will account for one-fifth of Canada’s population.”<sup>63</sup>

Across all 46 cities examined in this study, visible minorities were more likely to live in poverty than non-visible minorities – 29% compared with 16.3%.<sup>64</sup> And while they comprised nearly one-quarter (24.5%) of the population in these cities, visible minorities made up 36.6% of the *poor* population. In fact, in Coquitlam, Burnaby, Toronto, Vancouver, Surrey, Mississauga and Richmond Hill, visible minorities made up *more than half* of the poor population, and in Richmond and Markham, more than three-quarters of the poor population were visible minorities. In all the cities examined, the poverty rate for visible minorities was higher than for non-visible minorities – in most cases, it was 1.5 to almost 3 times higher.

Poverty rates among visible minorities ranged from over 50% in Québec City and Montréal to under 14% in Brampton and Vaughan. In some cities – St. Catharines, Halifax, London and Coquitlam, in particular – there were very large percentage point spreads and very large proportional gaps between the poverty rates of visible minorities and those of non-visible minorities. As well, while cities like Halifax and St. Catharines ranked 15<sup>th</sup> and 16<sup>th</sup> in terms of general poverty rates for all of their citizens, they ranked 31<sup>st</sup> and 33<sup>rd</sup> in terms of poverty among

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<sup>62</sup> *Ibid.*, p. 10.

<sup>63</sup> *Ibid.*, p. 11.

<sup>64</sup> Aggregate statistics were calculated using data from all 46 cities. Seven cities had less than 1,000 poor visible minority persons and thus were not included in the analysis of poverty among visible minorities.

their visible minority residents. This suggests that, in these two cities in particular, visible minorities lag quite a bit further behind the rest of the population in terms of income.

We also found that urban areas exhibited different spatial configurations of poverty for visible minorities. For example, Ottawa, Halifax, Windsor, Toronto, Hull, Saint John, Sherbrooke, Québec City and Montréal all had higher proportions of visible minorities than most other groups concentrated in “very high poverty” neighbourhoods. Regina, Kingston, and Vancouver, on the other hand, showed visible minority persons to be less concentrated in very high poverty neighbourhoods than many other groups.

### *Persons with Disabilities*

As with other vulnerable groups, people with disabilities were overrepresented among the poor. In the 46 cities examined in this study, 16% of all residents reported having some type of activity limitation or disability, yet 22.4% of all those who were poor reported having a disability. The aggregate city poverty rate for those with disabilities was 27.1% in 2000, compared with 17.9% for those without a disability – a difference of 9.2 percentage points.

People with disabilities had higher rates of poverty than those without disabilities in every city examined. The highest rates were found in CSDs in Québec: Québec City (49.2%), Montréal (46%), Longueuil (42.7%), Sherbrooke (42.3%), Trois-Rivières (42.2%), and Hull (38.5%). By contrast, the lowest rates were found predominantly in cities in southern Ontario (with Saanich<sup>65</sup> being the exception): Vaughan (13.4%), Oakville (14.4%), Burlington (14.9%), Saanich (15.5%), Markham (16.2%) and Brampton (16.4%). This is not surprising, given the overall poverty rates in those cities, because cities that had higher overall rates of poverty also tended to have the highest poverty rates among people with disabilities, and conversely, cities that had lower overall poverty rates also had the lowest rates among people with disabilities.

On average, the poverty rate for people with disabilities was 1.5 times that of people without disabilities. However, in Oakville, Burlington, Cambridge and Gatineau, the poverty rate of people with disabilities was more than twice that of those without disabilities. (Curiously, a Oakville, Burlington and Cambridge ranked among the lowest poverty rates for people with disabilities, yet they exhibited the highest proportional gaps in their poverty rates for those with and without disabilities.)

While it is tempting to compare poverty rates and conclude that people with disabilities fare better in some cities than in others, it is important to examine rates within the context of other groups in the same location. Large gaps between vulnerable groups and the rest of the population can indicate the potential for high levels of inequality, regardless of how well these groups are doing relative to their counterparts in other locations. And when such large gaps are evident during periods of economic prosperity, it is reasonable to be concerned that future economic downturns will be disproportionately borne by these vulnerable groups, such as persons with disabilities.

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<sup>65</sup> The poverty rate for people with disabilities in Saanich is probably closely linked with lower rates of poverty among seniors in that city, remembering that the likelihood of disability increases with age.

The relationship between disability and poverty is complex, and age plays an important role. For example, children under 15 with disabilities have higher poverty rates (33.3%) than working-age adults with disabilities (28.9%) or seniors with disabilities (23.4%).<sup>66,67</sup> But the effect of age varies from location to location. Seniors with disabilities in Saanich, London, Kingston, St. John's and Victoria had *lower* poverty rates than those of the general population in those cities. In other areas, such as Burlington, Vaughan, Gatineau, Oakville, and Brampton, seniors with disabilities had relatively high poverty rates compared to other city residents. These variations likely reflect several factors, such as the age of onset of the disability, the type of disability and its severity, the individual's requirements for supports and services, and the availability of those supports and services. For example, the pension profile of seniors who age *into* a disability is considerably different than those who age *with* a disability. The former group tends to have greater access to economic resources based on their past employment history that was acquired *without* a disability.

What *is* consistent across the 46 cities is that the poverty rate for working-age people with disabilities is higher than the rate for the population overall. And for working-age people with disabilities, higher rates of poverty are closely linked with labour market barriers.<sup>68,69</sup> They are less likely than their non-disabled counterparts to have had any employment, regardless of their province or city of residence. And differences in their experience of poverty reflect differences in the labour market structure, local or provincial initiatives aimed at people with disabilities, the income support programs available, and other factors that have an impact on their opportunities, such as the accessibility of buildings and transportation, employers' willingness to provide workplace accommodations, and the accessibility and affordability of local housing options.

One critical factor in understanding the economic vulnerability of people with disabilities – regardless of age – is the availability of supports and services. The presence of such supports can facilitate access to employment and therefore to income, while the absence of services can serve to entrench economic disadvantage (e.g., low rates of social assistance). The unique vulnerability that people with disabilities experience in this regard highlights the importance of using a place-based lens when studying poverty and disability.

### ***Age, Gender and Family: Cleavages of Vulnerability***

Poverty is dynamic in nature. It plays out over the life cycle of individuals, making everyone potentially vulnerable at some point in their lives. For some people, poverty can be long-term in

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<sup>66</sup> Because the number of children with disabilities living in poverty was quite low in many of the 46 cities examined, we were unable to provide detailed city breakdowns for this age group. However, other data on children with disabilities indicates that they consistently register higher rates of poverty than are found in the general population.

<sup>67</sup> It is also evident that, for all three age groups of people with disabilities, their aggregate poverty rates in the 46 cities were higher than their national rates. For example, the aggregate poverty rate for children with disabilities in the largest cities was 33.3%, compared with a rate of 28.3% for children with disabilities in all of Canada. Similarly, for working-age people with disabilities, the aggregate city poverty rate was 28.9%, compared with 26.1% in Canada; for seniors with disabilities, the aggregate city poverty rate was 23.4%, compared with 18.6% in Canada.

<sup>68</sup> Fawcett, Gail. *Living With Disability in Canada: An Economic Portrait*. Ottawa: Office for Disability Issues, Human Resources Development Canada, 1996.

<sup>69</sup> Fawcett, Gail. *Bringing Down the Barriers: The Labour Market and Women With Disabilities in Ontario*. Ottawa: Canadian Council on Social Development, 2000.

duration; for others, a short-term circumstance; it can be cyclical; and some may manage to escape it altogether. While certain characteristics are associated with increased vulnerability to poverty, it is a challenge that is highly sensitive to the human journey. From birth to death, through family formation and dissolution, poverty is inextricably linked with the most basic human characteristics of age, gender, and family. Some life stages leave us more vulnerable to poverty than others, and in our “gendered” world, women and men often experience the life cycle differently. As a result, the threat of poverty for certain groups is complicated by cleavages of vulnerability defined by gender, age, and family.

We found, for example, greater rates of poverty among children and youth in Canada’s largest cities. And when we applied a gender lens to the data, we found that women and men have very different patterns of poverty as they navigate through the life cycle. For women, economic disadvantage (relative to men) begins in youth and continues throughout their adult lives; and as women enter their senior years, their risk of poverty increases considerably, while senior men maintain roughly the same poverty profile they had during their later working-age years. In general, ageing brings with it much greater levels of vulnerability to poverty for women than for men.

When age, gender and family type interact, the impact of multiple layers of disadvantage becomes evident. For example, there were very high rates of poverty – almost 50% – among senior women who lived as unattached individuals. And while living as an unattached individual also increased the risk of poverty for senior men, it was much more pronounced among women. There were also very high rates of poverty among those living in lone-parent families with children under age 18 – in some cities, the poverty rate for this group was nearly 70% (Saint John at 68.5%). Indeed, age, gender and family shape economic inequality in communities across the country, and each city has a unique poverty profile and mix.

For detailed data tables and an in-depth analysis of the impact of age, gender and family status on poverty trends, see *Age, Gender and Family*, a report in the CCSD’s Urban Poverty Project 2007. It is available at [www.ccsd.ca/pubs/2007/upp](http://www.ccsd.ca/pubs/2007/upp).

Overall, children had the highest rates of poverty in cities with the highest overall poverty rates. It is not surprising, therefore, that the highest child poverty rates were in cities in Québec, and the lowest child poverty rates were in cities in southern Ontario. Looking at these patterns in greater detail, we found that the rate of child poverty was considerably higher than the overall poverty rate – 10 percentage points higher – in cities such as Saint John. There were also notable differences in child poverty rates in cities within the same large urban areas (CMAs), suggesting a more complex relationship than simply differences in economic opportunities between regions. For example, the CSD of Toronto had one of the largest percentage point spreads between its child poverty and overall poverty rates (7.2 percentage points), yet the neighbouring cities of Oakville, Vaughan, and Richmond Hill had percentage point spreads of less than one. Similarly in Québec, both Montréal and Longueuil had high child poverty rates (of 41.7% and 32.4% respectively) and large percentage point spreads between their child poverty and overall city rates (of 7.7 and 7.2 percentage points respectively), while the neighbouring city of Laval registered a much lower child poverty rate (17.8%) and only a 1.8 percentage point spread between its child poverty and overall city poverty rates.

When we ranked all the cities according to their poverty rates for different groups, the unique poverty profile of each city was evident. Some cities had decidedly more favourable rankings for child poverty than for overall poverty rates. In particular, many of the cities in Québec had more favourable rankings for child poverty than for overall poverty, whereas many of the cities in Ontario as well as Regina and Saint John had less favourable rankings for child poverty than for overall poverty.

Some cities also had more favourable rankings for youth poverty than for overall poverty; that was the case in Laval, Jonquière, Chicoutimi, Longueuil, and Surrey, in particular. On the other hand, Saanich had the 6<sup>th</sup> lowest overall poverty rate among the 46 cities examined here, but it ranked 22<sup>nd</sup> for youth poverty. And Victoria, ranked 38<sup>th</sup> in terms of its overall poverty rate, had the highest rate of youth poverty (at 44.8%) among all 46 cities. In fact, the youth poverty rate in Victoria was 20 percentage points higher than its overall poverty rate. Youth poverty rates that were notably higher than overall city poverty rates were also found in Kingston, Saskatoon and Trois-Rivières.

In some cities, poor children were decidedly more likely than other groups to live in “very high poverty” neighbourhoods within those cities. For example, Kingston, Saskatoon, Toronto, Victoria, Longueuil, and Montréal all had higher-than-average concentrations of poor children (relative to other groups in those cities) living in very high poverty neighbourhoods. And while Toronto had a high concentration of poor children in very high poverty neighbourhoods, its neighbouring city of Vaughan (with no very high poverty neighbourhoods) actually had a higher-than-average proportion of poor children living in “low poverty” neighbourhoods. In Kingston and Sherbrooke, it was poor youth who faced greater concentration than other groups in “very high poverty” neighbourhoods.

For seniors, Saanich had the lowest poverty rate, at 7.8% – and it was considerably lower than the 21.4% poverty rate for youth in that city, which ranked it 22<sup>nd</sup> out of the 46 cities. Kingston had the second lowest poverty rate among seniors, at 10%, and a high youth poverty rate of 29.5% (ranked 35<sup>th</sup>). In London, the poverty rate among seniors was 11.6% (ranked 3<sup>rd</sup>), while its youth poverty rate was 25.9% (ranked 29<sup>th</sup>). Clearly some cities had more favourable profiles for seniors than for youth, indicating the variety of situations that people can face at different stages of their lifecycle.

Overall, the poverty profile of seniors tended to fall between that of children or youth and working-age families; again, however, there were differences by city. For example, Gatineau had the 21<sup>st</sup> lowest rate of poverty overall, but it ranked 41<sup>st</sup> for poverty among seniors. Similarly, Brampton ranked 5<sup>th</sup> for its overall poverty rate, but was 24<sup>th</sup> for seniors poverty, and Vaughan ranked 3<sup>rd</sup> for overall poverty and only 21<sup>st</sup> for seniors poverty.

Looking more closely at the situation of seniors, we found that the most disadvantaged were older seniors and in particular, women aged 75 and older. In Niagara Falls, Regina, and Saanich, women aged 75+ had poverty rates that were at least four times that of their male counterparts; and in Greater Sudbury, their poverty rates were six times that of older senior men. By applying

a gender lens, disparities are revealed that are not always evident when looking at aggregate indicators for seniors – or for any age group.

In comparison to most other vulnerable groups, poor seniors were less likely to be concentrated in “very high poverty” neighbourhoods. This was particularly so in Kingston. However, in five of the 46 cities included in this study, poor seniors were more segregated into very high poverty neighbourhoods than other groups in those locations, and in Gatineau and Vancouver, seniors were *much* more segregated.

Part of the gender disparity in poverty rates is linked to family status. When we examined unattached senior women and men, we found that the gender gap in poverty rates narrowed slightly – but not completely. Women still had notably higher rates in most cities, and the poverty rates of all unattached seniors were very high. In Gatineau, Montréal, Longueuil, and Québec City, for example, about three of every five unattached seniors lived in poverty – and in Gatineau, the proportion of poor senior unattached women reached nearly seven in 10. But these cities also had high overall poverty rates. More surprising was the fact that in Vaughan, where less than one in 10 individuals lived in poverty (ranking it 3<sup>rd</sup> for lowest overall poverty rate), *over half* of all unattached seniors were poor in 2000. In a city with such a favourable overall poverty ranking, it would be easy to overlook this very high level of economic insecurity among its unattached seniors.

Family status is another important factor in assessing vulnerability to poverty, but even this varies across the country. For lone-parent families with children under 18, the highest poverty rates were found in Saint John (68.5%) and St. John’s (61.1%). In Saint John, there was a very large difference in the poverty rates of lone-parent families with children under 18 compared with those of two-parent families with children under 18 (68.5% and 14.2% respectively). And in St. John’s, the poverty rate among lone-parent families with children under 18 was over five times that of two-parent families with children under 18. In Burlington, Cambridge and Thunder Bay, the poverty rate among lone-parent families was at least seven times that of couples with children. Even in Vaughan – which had the lowest poverty rate for lone-parent families (at 24.8%) – it was still 3.6 times the rate among two-parent families. While the level of economic insecurity faced by lone-parent families was considerably less in some locations than in others, no city could be considered to have performed well in providing economic security for these families.

Poor lone-parent families were also highly concentrated in “very high poverty” neighbourhoods in many cities across the country. In Kingston, Saint John, Québec City and Montréal, for example, the concentration in these very high poverty neighbourhoods was in excess of 30% – and worse than most other groups of poor residents in those cities.

In most areas, two-parent families with children under 18 fared better than their lone-parent counterparts. Generally the poverty rates for these families reflected the overall city poverty rates – that is, they were higher in cities with high overall poverty rates and lower in cities with low overall rates – however, a number of cities require special mention. The second highest poverty rate among two-parent families with children under 18 was found in Richmond, followed by Burnaby, Vancouver, and Coquitlam – all cities within the CMA of Vancouver. Their high

poverty rates for this family type resulted in much worse rankings among the 46 cities than their rankings for other family types.

Unattached individuals had high rates of poverty in many cities as well. In Vaughan, Sherbrooke, Richmond Hill and Saanich, for example, unattached individuals had notably higher poverty rates than lone-parent families. So while we found that different combinations of age, gender and family type made some groups more vulnerable to poverty than others, the degree of vulnerability varied greatly across the country.

## The Role of Employment and Education

As we have seen, the story of urban poverty in Canada is often fraught with contradictions and in many instances, it seems to defy popular wisdom. The strength of urban economies and economic diversity should lead to economic growth and, one would expect, help reduce the level of poverty. Beckstead and Brown<sup>70</sup> found that larger urban areas tend to be more economically diversified, yet we found the highest rates of poverty in large urban areas where diversity is greatest.

Similarly, higher levels of employment and higher levels of education by the end of the 1990s should have resulted in greater economic security and thus, lower levels of poverty. Yet we found that was not true in many large Canadian cities. Relatively high poverty was evident even in some cities where there was a close match between the education and skill levels of residents and the employment opportunities available.

For detailed data tables and an in-depth analysis of the relationship between urban poverty and employment, education and training, see *Employment and Education*, a report in the CCSD's Urban Poverty Project 2007. It is available at [www.ccsd.ca/pubs/2007/upp](http://www.ccsd.ca/pubs/2007/upp).

When we examined the impact of education, employment and job skill requirements on poverty profiles in cities across Canada, we found several consistent relationships *within* each of the largest cities:

- *Within* each city, people with higher levels of education were less likely to live in poverty than those with lower levels of education.
- *Within* each city, those with full-time, full-year employment were less likely to live in poverty than those with less employment or no employment.
- *Within* each city, those employed in jobs with higher skill requirements were less likely to live in poverty than those with jobs having lower skill requirements.

As expected, there was much support for the contention that having a higher level of education, having a job with higher skill requirements, and working full-time for a full-year helps to reduce a person's economic vulnerability. However, it was also evident that none of these characteristics provided a guarantee against poverty – because place matters. The amount of protection against poverty afforded by education, job skill requirements and even by employment is mediated by one's location and likely, a host of other interconnected factors. For example:

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<sup>70</sup> Beckstead, Desmond and Mark Brown (2003). *op.cit.*

- We found that having higher levels of education in some cities – while providing a better poverty profile than for less well-educated residents in the same city – resulted in very different poverty profiles than in other cities.
- We also found that the degree of improvement in economic security for those with higher levels of education varied from city to city.

One explanation for these differences is that the impact of education will necessarily vary according to the dynamics of local or regional labour markets. That being said, however, we found differences between neighbouring cities, despite the shifts that have taken place in commuting patterns within CMAs.<sup>71</sup> Given this level of commuting, one might expect that the poverty profiles of workers with similar education levels would not vary much in adjoining communities. Yet when we compared the profiles of similarly educated residents of cities within the same CMA, we saw a surprising amount of disparity. For example:

- Within the CMA of Vancouver, post-secondary graduates in Burnaby had a poverty rate of 22.2%, while for their counterparts in neighbouring Surrey it was 12.6%.
- In the city of Montréal, 25% of post-secondary graduates were poor, compared with only 8.4% in neighbouring Laval.
- And in Toronto, 15.5% of post-secondary graduates were poor, compared with 5.1% in neighbouring Oakville.

Similar results were found when we examined the skill requirements of jobs. While it was certainly true that within each city, those with jobs having high skill requirements were less likely to be poor than those with low-skilled jobs, it wasn't as clear what the impact of having different mixes of high- and low-skilled jobs had on the overall city poverty rate. For example:

- Some cities, like Oakville, had a higher proportion of its workforce employed in high-skilled jobs, and this translated into a lower overall poverty rate.
- Other cities – like Ottawa and Vancouver – also had higher-than-average proportions of their workforces in high-skilled jobs, however, this didn't result in lower overall poverty rates in those cities.
- As well, having a high-skilled job in one city seemed to provide more protection than a high-skilled job in another city.
- In some cities, there was more polarization of economic outcomes between holders of high- and low-skilled jobs. In Gatineau, for example, the poverty rate among low-skilled job holders was five times that of those with high-skilled jobs, whereas in Vaughan, low-skilled job holders had a poverty rate that was only 1.8 times that of those with high-skilled jobs.

As with education, we found surprising variations within large urban areas – neighbouring cities within the same CMA often had different relationships between the skill level of jobs and poverty. Presumably, these cities had similar regional labour markets, programs and policies, and trade issues, yet the mix of skill levels and education levels seemed to be organized differently, and that translated into differences in poverty.

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<sup>71</sup> Based on the 2001 Census, for example, Statistics Canada estimates that nearly a million workers who resided in the CMAs of Toronto, Vancouver and Montréal commuted from one municipality to another for work. Statistics Canada. "Commuting Patterns Becoming More Complex Within Census Metropolitan Areas." In *Where Canadians Work and How They Get There, 2001 Census*. Ottawa: Statistics Canada, 2003. Cat. 96F0030XIE2001010.

That was certainly true when we examined patterns of poverty in relation to levels of employment. Within each city in 2000, residents who had a full-time full-year job were less likely to be poor than those who had no paid employment that year. Nevertheless, the degree of protection varied greatly from city to city. And again, there were surprising differences between neighbouring cities within the same urban area. In particular, the vulnerability of people without employment over the year varied widely. For example:

- In Montréal, the poverty rate for those without any employment was 60.7% – nearly double that of their counterparts in neighbouring Laval.
- The poverty rate for those without employment in Coquitlam was 46%, compared with 37.2% in neighbouring Surrey.
- In Toronto, the corresponding rate was 44%, nearly three times the rate in neighbouring Oakville (15.8%).

So while mobility and commuting patterns between cities and suburbs may have increased, it appears that a complex combination of factors creates a particular city's poverty profile. Certainly the importance of education, job skills and employment is clear, but the manner in which these factors are organized at the local level in different urban areas remains a topic for further research.

## **The Importance of Earnings for Working-age Households**

Earnings made up the largest proportion of total pre-tax income among all working-age families (88.5%) and working-age unattached individuals (86.4%).<sup>72</sup> This was true for both poor and non-poor families living in large urban areas. Almost 90% of the income of non-poor working-age families and unattached individuals came from employment earnings in 2000. Earnings were also the largest single source of total income among poor working-age families (48.8%) and poor working-age unattached individuals (57.1%). As a result, the labour market remains the principal source of economic security for all working-age households, regardless of their income level. Unfortunately, however, having a job is no guarantee of economic security in any Canadian city.

### ***Average Income and Earnings***

In 2000, the average income of poor working-age families in Canada's largest urban areas was roughly one-fifth that of their non-poor counterparts (\$16,232 compared to \$87,674).<sup>73</sup> This discrepancy was due almost entirely to differences in the employment earnings between these two groups.<sup>74</sup> On average, non-poor working-age families earned \$78,738, whereas poor families earned \$7,918 – only 10.1% of the average for non-poor families. The same pattern was found among working-age unattached individuals, where the average total income of non-poor individuals was more than nine times greater than that of poor individuals. And while poor

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<sup>72</sup> The following discussion focuses on working-age households, those in which *both* the economic reference person and the spouse (if present) are under the age of 65. Elderly households are those in which either the economic reference person or the spouse (if present) is aged 65 years or older.

<sup>73</sup> Average income figures included in this report represent those households that reported income from any source, including losses.

<sup>74</sup> Earnings or employment income refers to total income received by persons aged 15 and older during the calendar year 2000 as wages and salaries, net income from non-farm unincorporated businesses or professional practices, and net farm self-employment income.

households received more, on average, from government transfers, those funds were not sufficient to close the sizable income gap between poor and non-poor households.

For detailed data tables and an in-depth analysis of income among poor and non-poor households, see *Dimensions of Income among Poor Households*, a report in the CCSD's Urban Poverty Project 2007. It is available at [www.ccsd.ca/pubs/2007/upp](http://www.ccsd.ca/pubs/2007/upp).

Examining differences in incomes within large CMAs, we found that the average total income of non-poor working-age families was higher in the suburban cities (\$93,752) than in the central cities (\$86,540), or in the remainder of CMAs (\$86,026). Similarly among poor families, the average total income was highest in suburban cities (\$17,355), followed by central cities (\$16,047), and in the remainder of CMAs (\$15,955).

Average incomes in 2000 among all working-age families varied substantially. Families in Oakville had the highest average income by a considerable margin, at \$125,945. Families in Vaughan, Markham and Burlington also reported average incomes in excess of \$100,000. The lowest average family incomes were in Saint John, Québec City, Sherbrooke and Montréal – all under \$56,000 and less than half the average income of families in Oakville.

Average incomes among poor working-age families also varied, but not by as much. The highest was among poor families in Richmond Hill and Mississauga (averaging over \$18,000), while the lowest were in Greater Sudbury, Victoria and Chicoutimi (under \$13,000).

Our analysis also revealed that poor residents in cities with comparatively high overall poverty rates do not necessarily have low average total incomes. For example, Montréal had the highest overall poverty rate in 2000 among the large cities examined, yet the average income of poor families in that city (\$16,535) was higher than the aggregate for all cities. In contrast, poor families in Saanich and Cambridge – two communities with comparatively low overall rates of poverty – had low average total incomes of \$14,015 and \$13,849, respectively. It appears that a high rate of poverty is related to the income profile of the whole city, while the dispersion of incomes – as measured by the ratio of average incomes among the poor to average incomes among all residents – tends to be smaller in cities with large numbers of poor households.

Employment earnings and government transfers represent the largest sources of income for all households. As with total incomes, the employment earnings of families varied greatly among the cities examined. Earnings for all working-age families in 2000 ranged from \$44,940 in Saint John to \$115,500 in Oakville. Among non-poor families, average earnings ranged from \$55,062 in Sherbrooke to \$122,067 in Oakville. Predictably, the range of average earnings was smaller among poor families, varying from \$3,756 in Chicoutimi to \$11,035 in Mississauga.

In Winnipeg, the average earnings of poor families were 13.5% of the average earnings of non-poor families – the highest percentage among the cities studied. At the other end of the spectrum, the most divergence between the earnings of poor and non-poor families was in Chicoutimi, where poor families earned only 6.0% of what non-poor families earned.

Given these very low levels of earnings among poor families, income from government transfers takes on added importance.<sup>75</sup> On average, poor families tend to receive higher transfers than non-poor families, reflecting the targeted character of many of Canada's income security programs for working-age households. Again, the average amount of transfer income varied by city. In 2000, the average transfer income to all families was highest in St. John's (\$5,499) and lowest in Oakville (\$2,364). Transfers to poor families were highest in Longueuil (\$8,666) and lowest in Richmond Hill (\$4,798), while transfers to non-poor families ranged from \$4,744 in St. John's to \$2,126 in Oakville.

In every city, transfers to poor families were greater than those to non-poor families. In Oakville, poor families received 291.2% of the amount of transfers that all families received – \$6,192 compared to \$2,126; in Greater Sudbury, the corresponding percentage was 172.9% – an average of \$7,463 to poor families in the city compared to an average of \$4,315 in transfers to all families.

Average earnings and average government transfers also varied within large urban areas. Among non-poor working-age families in CMAs, average earnings in 2000 were considerably higher in the suburban cities (\$85,283) than in the central cities (\$77,396) and in the remainder of the CMAs (\$77,158). Once again, the differences in average earnings were not as great among poor families. Their average earnings were highest in the suburban cities (\$9,181), followed by central cities (\$7,832) and the remainder of the CMAs (\$7,247). Conversely, average government transfers to poor working-age families were highest in the remainder of the CMAs (\$7,434), followed by central cities (\$7,172) and suburban cities (\$6,651).

### ***Market-poor Working-age Families and Individuals***

In 2000, 14.8% of working-age families in large cities were poor, but 19.4% were market-poor.<sup>76</sup> In other words, if only market earnings were considered, about 1.3 million working-age families would have been poor in 2000; without government transfers, more than twice as many working-age families would have had incomes below the LICO. By contrast, the rates of poverty and market poverty were fairly close for working-age unattached individuals, showing the limited degree to which government transfers serve to protect these households from the ups and downs of the urban labour market.

Although rates of poverty tended to be higher in large urban areas in Canada, the same was not true of market poverty. For example, the market poverty rate among working-age families in 2000 was roughly equivalent for those living in CMAs and those living outside of these large

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<sup>75</sup> Government transfers refer to total income from all transfer payments received through federal, provincial or municipal governments during 2000. This variable was derived by summing the amounts reported for Old Age Security and the Guaranteed Income Supplement, benefits from the Canada or Quebec Pension Plans, and benefits from Employment Insurance and the Canada Child Tax Benefit. Other sources of transfer income include social assistance payments, provincial income supplement payments to seniors, housing benefits, other transfer payments such as from training programs, regular payments from provincial automobile investment plans and workers' compensation payments, as well as other provincial and federal refundable tax credits such as the GST credit.

<sup>76</sup> Market income is total income excluding government transfers. It is also referred to as income before transfers and taxes. The rate of market poverty is calculated by identifying those households with *market incomes* that fall below the pre-tax LICO.

urban areas. Among working-age unattached individuals, the market poverty rate was higher in non-CMAs (44.9%) than in CMAs (40.5%).

Within CMAs, rates of market poverty were notably higher in central or core cities. In 2000, the market poverty rate for working-age families in central cities was 22.7% – 7.8 percentage points higher than the rate for such families in the remainder of CMAs. Among working-age unattached individuals, the market poverty rate for those living in central cities was 42.3%, compared to a rate of 37.5% for those in the remainder of the CMA, and 34.8% for those in suburban cities.

For the large cities in our study, the aggregate rate of market poverty was 21.3% in 2000, and 20 cities had market poverty rates above this average. Seven cities in Québec were among this group, as were all the large cities in the Greater Vancouver Regional District. Large suburban cities in southern Ontario had comparatively low rates of market poverty.

By comparing the rates of poverty and market poverty among cities, we found that government transfers seemed to have the greatest impact in Jonquière and Abbotsford, followed by Laval, Sherbrooke and Greater Sudbury. While not all of these cities were “high poverty” cities – Laval, Greater Sudbury and Abbotsford had below-average rates of market poverty in 2000 – working-age families in those locations received above-average government transfers. This accounts, at least in part, for their lower overall rates of poverty.

### ***The Poverty Gap***

The average incomes of poor Canadians fall far short of the average incomes of all Canadians. Indeed, they also fall far short of Statistics Canada’s Low Income Cut-offs (LICOs) for large cities. The difference between the incomes of poor households and the relevant LICO is referred to as the *poverty gap* (or the *depth of poverty*). This information is critical to understanding the extent and severity of poverty among individuals and households. For example, while two regions or cities may have the same rate of poverty, if the average depth of poverty is greater in the first area – that is, households are living on incomes farther below the poverty line – then the overall state of poverty is clearly worse in that area than in the other.

An average income gap can be calculated for both total income (before taxes) and market income for all those with incomes below the LICO. The total poverty gap and the total market poverty gap provide us with the dollar amounts that it would take to raise all poor families *up to* the LICO.

Poor working-age families living in CMAs had an average poverty gap of \$13,699 in 2000. This is quite substantial, given that their average total income that year was only \$16,232. The deficiency was even larger when the average market poverty gap was considered: the pre-tax, pre-transfer income of poor working-age families was \$16,569 below the poverty line.

The poverty gap and market poverty gap were somewhat smaller among working-age unattached individuals than among working-age families. However, the average poverty gap for these individuals (\$9,812) was actually higher than their average total income (\$8,121). In other

words, they would have had to *more than double* their income through earnings or transfers just to *reach* the Low Income Cut-off.

In 2000, the total poverty gap for working-age families was more than 17 times greater than the total gap for elderly families; the total poverty gap for working-age unattached individuals was over six times greater than the total gap for unattached seniors. These differences reflect, in part, differences between the sizes of the two populations – roughly 1.4 million working-age households under age 65 and approximately 400,000 elderly households aged 65+ – as well as the significant depth of poverty among working-age households.

Even among cities with low overall poverty rates, we found some fairly large poverty gaps. For example, among the 10 cities with the lowest overall poverty rates, all but one (Burlington) had a poverty gap greater than the aggregate average. On the other hand, cities such as Québec City and Montréal which had some of the highest poverty rates experienced relatively low poverty gaps. Indeed, several cities in Québec were among those with the lowest poverty gaps. These data suggest that the province has had some success in reducing the depth of poverty.

### ***The Importance of Transfers for Seniors***

Employment income accounted for a much smaller proportion of the total income of elderly families (35.6%) and unattached seniors (7.1%) than for working-age households.<sup>77</sup> That is not to say, however, that earnings were unimportant for all seniors. One of the interesting findings in this study was the impact of earnings among non-poor elderly families. Although further analysis is necessary, these 2000 income data suggest that a considerable number of seniors in their “early retirement years” were still engaged in the labour market and were drawing substantial wage income.

The important role of income transfers for seniors cannot be overstated. Government transfers make up a substantial proportion of the total income for both poor and non-poor households. However, among poor households, the proportion of income coming from these transfers is nearly three times higher than among non-poor households. In non-poor elderly families, the shares of earnings, transfers and investments as a proportion of total income were roughly equal – transfers made up a little less than one-third of total income (29.3%) in 2000, employment earnings constituted 36.5%, and investments made up 33.4% of total income. For non-poor unattached seniors, transfers were somewhat more important in their income mix (36.7%), while investment income was the major source of income for this group (at 52.8%).<sup>78</sup>

Reliance on government transfers was most pronounced among poor households where at least one partner was aged 65 or older. Among poor elderly families, transfers made up 87.3% of their total income in 2000, and among poor unattached seniors, transfers constituted 90.8%. By contrast, employment income and investments played a comparatively small role for poor

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<sup>77</sup> An examination of these statistics for the aggregate of large cities within the selected CMAs yielded very similar findings.

<sup>78</sup> A relatively small group of non-poor unattached seniors in Canada’s major urban areas (roughly 23,000) reported income from other sources, including investments, in 2000. Investment income clearly made up the largest proportion of their income, but that was not true for the majority of other elderly households.

seniors. The minor role of investments suggests that many seniors, the majority of whom are women, did not make contributions to vehicles like Registered Retirement Savings Plans (RRSPs) in earlier years because they worked in low-wage jobs or were outside the labour market altogether. The very high rates of poverty among unattached senior women – many of whom were full-time caregivers in the past – is directly related to their lack of access to pension and investment income. These data highlight the critical role that well-funded income security programs such as the Canada/Quebec Pension Plans play in protecting the economic security of seniors.

We also found marked differences between the average total incomes of poor and non-poor families and between poor and non-poor individuals, related primarily to differences in the level of income received from employment. However, these income gaps were not as pronounced among seniors as among working-age households. The average total income of non-poor elderly families was more than three times the average income of poor elderly families, while the average total income of non-poor unattached seniors was two and a half times greater than that of poor unattached seniors.

Predictably, the rate of market poverty among seniors was much higher. If seniors in 2000 had had to rely only on income from employment or other sources such as private pensions, 43.5% of elderly families – a total of almost 400,000 families – and fully three-quarters of unattached seniors (over half a million people) would have fallen below the poverty line. Rates of market poverty were also higher among seniors who lived outside of large urban areas.

Although unattached seniors had the highest incidence of poverty in 2000, they also had the lowest average poverty gap (\$3,825) – indicating that their total incomes tended to hover close to the LICO. And while the poverty rate among elderly families was considerably lower than the rate among unattached seniors, the average poverty gap for poor elderly families was \$5,808.

## **Conclusion**

For many people, poverty implies ailing children on the edge of starvation. However, in advanced industrialized societies such as Canada, that picture is not typical. What prevails instead is deprivation and need. In Canada, poor people suffer deeply, not because the necessities of life barely exist – as in some developing countries – but rather because an unequal distribution of income blocks their access to Canada's abundance. Poverty in Canada is characterized more by having to frequent food banks, being shunted from one substandard shelter arrangement to another, living with the ever-present threat of violence, or running from one temporary contract job to the next. This troubling picture is not the result of a lack of riches, but instead arises from an unequal distribution of riches.

It is clear that a number of groups in Canada have been historically more vulnerable to poverty than others. Aboriginal people, people with disabilities, recent immigrants, and visible minorities are just a few of the groups that have had higher than average rates of poverty. As well, there are cleavages of vulnerability due to gender, age, and family type that cut across all groups. And while some groups are at a greater risk of poverty in general, their location also plays an important role and the degree of disadvantage they face can vary widely from one urban area to

another. We found, for example, that vulnerable groups living in the remainder of CMAs (the suburban and rural fringes outside the large cities) often had more favourable poverty profiles than those living in the large cities. Even in adjoining cities within the same large urban area, there can be different poverty profiles. Typically, the historic core of a large urban area tends to bring with it greater challenges for all persons – and for vulnerable groups in particular.

As well, poverty is not “spread evenly” throughout an urban area or even throughout a single city. Instead, it can be highly concentrated into a select group of neighbourhoods within a city. And this “organization of poverty” can have a negative impact on the residents and communities where there are very high concentrations of poverty, because there are likely to be fewer opportunities and community resources being available to those citizens.

These research findings are troubling, particularly in light of the growing levels of family income inequality documented above and stubbornly high rates of poverty in Canada through the 1990s. Large cities have been a source of both social innovation and social stress. The challenge remains how to take advantage of the opportunities that cities afford and to address the negative consequences associated with growing inequality in our urban areas.

This challenge has been taken up in Great Britain and the United States. In 1998, the British government launched a New Deal for Communities, aimed at England’s most distressed communities; they followed up in 2001 with a Neighbourhood Renewal Strategy to help narrow the socio-economic gap between the most deprived neighbourhoods and the rest of England. In the United States, the government has invested billions of dollars through a range of initiatives, including the Community Empowerment Fund, Empowerment Zones, the Enterprise Community Initiative, and Community Development Block Grants – all of which are designed to nurture business, investment and job creation and to provide for community facilities and services (such as housing) in distressed communities.<sup>79,80</sup>

There are no common paths going forward. The situation in each urban area – indeed, in all communities – is unique. While there are common factors that are useful in understanding the dynamics of poverty across communities, the impact of these factors tends to vary widely from city to city. We do know, however, that various strategies are needed to address the challenges of poverty. We also know that the issues related to urban poverty – such as income, housing, employment, education, social networks and transportation – are interdependent and require an integrated approach in order to be successful.

Canada therefore needs both universal policies that target all individuals as well as strategies that are spatially focused or targeted. Séguin and Divay make the point that “aspatial” policies are critical urban poverty tools. Policy interventions by the federal and provincial governments in key areas such as health, education and income security have important territorial effects, especially in high poverty areas, because they provide low-income residents with high quality public services no matter where they live. At the same time, targeted initiatives are important to

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<sup>79</sup> Pomeroy, Steve. *Rethinking Neighbourhood Renewal: Review of the US Experience and Possible Lessons for Canada*. Ottawa: Action for Neighbourhood Change, Caledon Institute of Social Policy, February 2006.

<sup>80</sup> MacLennan, Duncan. *Remaking Neighbourhood Renewal: Towards Creative Neighbourhood Renewal Policies for Britain*. Ottawa: Action for Neighbourhood Change, Caledon Institute of Social Policy, February 2006.

reinforce the positive impact of universal policies as well as to create the vehicles and institutional structures through which diverse local stakeholders can be engaged and leadership fostered. Local partnerships are best positioned to identify the unique dimensions of local challenges and potential solutions.<sup>81,82</sup>

Recent research in the United States shows a stunning turnaround in the number of high poverty neighbourhoods between 1990 and 2000, following exponential growth between 1970 and 1990. Economic growth, along with government efforts, is largely credited with reducing the concentration of urban poverty in the U.S., although there are now concerns that the economic downturn since 2000 and the weakening state of many older suburbs may yet threaten hard-won progress.<sup>83</sup> That being said, however, concerted actions on the part of other governments to revitalize their communities – and evidence of their success – highlight the need to take action here in Canada to reduce inequality and poverty that continue to circumscribe the life chances of millions of people living in our large urban areas.

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<sup>81</sup> Séguin, Anne-Marie and Gérard Divay. *Urban Poverty: Fostering Sustainable and Supportive Communities*. Ottawa: Canadian Policy Research Networks, 2002.

<sup>82</sup> Vibrant Communities is one example of a Canadian poverty reduction initiative that embodies this approach. Vibrant Communities groups work to identify local poverty strategies based on the principles of multi-sector collaboration, community assets and shared learning. For more information, visit <http://tamarackcommunity.ca/g2s1.html>.

<sup>83</sup> Jargowsky, Paul. *Stunning Progress, Hidden Problems: The Dramatic Decline of Concentrated Poverty in the 1990s*. Center on Urban and Metropolitan Policy. Washington: The Brookings Institution, May 2003. Available from: <http://www.brookings.edu/es/urban/publications/jargowskypoverty.pdf>.



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Canada has become one of the most urbanized nations in the world.  
At the beginning of the 20<sup>th</sup> century, only 37% of Canadians lived in urban areas.  
Just 100 years later, almost 80% of the population resides in urban areas.  
And this trend shows no signs of abating.

How cities function is therefore vital to Canada's economic and social well-being.

This report documents the dynamics of poverty in Canada's large urban areas over the last decade. It identifies a number of trends and tracks the impact that periods of recession and economic boom have on aggregate rates over time.

But these trends vary from location to location, and there are a range of outcomes across the country. In fact, this study found that it is the *organization* of poverty in urban areas that determines how acutely it is experienced by particular groups.

This report provides an important resource for anyone whose work or studies involve the social sciences, urban studies, humanities or economics.

Other resources developed under the Urban Poverty Project 2007 include a series of comprehensive analytical reports on different aspects of urban poverty, as well as resource tools, fact sheets and data profiles.  
All UPP materials are available at <http://www.ccsd.ca/pubs/2007/upp/>.



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